

## Message Text

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46

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 FPC-01 SCEM-02 INT-08 AID-20

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

NSC-10 SS-20 STR-08 CEA-02 L-03 H-03 AEC-11 DODE-00

PA-04 USIA-15 PRS-01 DRC-01 /182 W

----- 024766

R 031315Z DEC 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 738

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY LA PAZ

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 8187

E.O. 11652: N/A

TAGS: ENRG; BR

SUBJECT: SALE OF BOLIVIAN NATURAL GAS TO BRAZIL

REF: BRASILIA 2784

1. BRAZILIAN AND BOLIVIAN DELEGATIONS HAVE JUST CONCLUDED  
ANOTHER IN THEIR SERIES OF NEGOTIATIONS CONCERNING THE  
SALE OF BOLIVIAN NATURAL GAS TO BRAZIL. AFTER MEETING  
FROM NOVEMBER 12 TO 30 IN BRASILIA, THEY ISSUED A  
SIGNED DECLARATION DEC 1 DETAILING THEIR AGREED OBJECTIVES AND  
THE COMMITMENTS THAT BOTH COUNTRIES WOULD UNDERTAKE. FURTHER  
STUDIES AND AGREEMENTS HAVE TO BE CONCLUDED BEFORE THE  
ARRANGEMENTS CAN BECOME FINAL.

2. THE DELEGATIONS AGREED THAT BOLIVIA HAS THE CAPACITY  
TO FURNISH TO BRAZIL AND PROMISES TO SELL AN AVERAGE OF  
240 MILLION CUBIC FEET (6.79 MILLION CUBIC METERS) OF GAS  
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PER DAY FOR A PERIOD OF 20 YEARS, FOR A TOTAL OF 1.75

TRILLION CUBIC FEET (49.575 BILLION CUBIC METERS OF NATURAL GAS). FINAL AGREEMENT ON FURNISHING GAS, HOWEVER, WILL DEPEND ON A FORMAL ACCORD BETWEEN THE TWO GOVERNMENTS AS WELL AS ON THE RESULTS OF VIABILITY STUDIES, AND WILL REQUIRE SIGNED CONTRACTS WITH RESPECT TO MARKETS, PRICES, AND FINANCING AND TECHNICAL ASSISTANCE FROM BRAZIL FOR INDUSTRIAL PROJECTS TO BE LOCATED IN BOLIVIA. THE PROJECTS INCLUDE A STEEL MILL, MINING OF IRON ORE, A PETROCHEMICAL COMPLEX WITH PRODUCTION OF NITROGEN FERTILIZER, A CEMENT PLANT, AND THE PROVISION OF ELECTIRCAL ENERGY FOR THE COMPLEX.

3. AGREEMENT ON PRICE WAS NOT REACHED. BRAZIL PROPOSED 50 US CENTS PER THOUSAND CUBIC FEET UND BOLIVIA 60 US CENTS. REPORTEDLY ARGENTINA IS NOW PAYING 35 US CENTS PER THOUSAND CUBIC FEET.

4. COMPLETE TEXT OF DECLARATION WILL BE SENT BY AIRGRAM.  
CRIMMINS

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATURAL GAS, TRADE AGREEMENTS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
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**Subject:** SALE OF BOLIVIAN NATURAL GAS TO BRAZIL  
**TAGS:** ENRG, BR, BL  
**To:** STATE  
**Type:** TE  
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